and

INSTRUMENT PREPARED BY VIRGINIA GAS AND OIL BOARD

ORDER RECORDED UNDER CODE OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

REVISED SUPPLEMENTAL ORDER REGARDING

DOCKET NO. VGOB-04/04/20-1286

ELECTIONS, UNIT: 825398

(hereinafter "Subject Drilling Unit")

REPORT OF BOARD

#### FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992, at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirement of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on December 14, 2004 and recorded at Deed Book 608, Page 492 in the Office of the Clerk of Circuit Court, Buchanan County, Virginia on December 15, 2004 (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interest in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.

# 2. Findings: The Board finds that:

(a) The Board Order directed Columbia Natural Resources LLC, (herein the Designated Operator"), to mail copies of the Board Order to all respondents whose interest, if any, were pooled by said Board Order;

(b) The designated operator filed its affidavit of mailing dated January 6, 2005, disclosing that it had mailed a correct copy of the Board's Order to all Respondents whose interest, if any, were pooled by said Board Order;

(c) The Board Order required each Respondent whose interest, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated August 10, 2005, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-

160.70C (herein "Affidavit of Election"), wherein it has, for each Respondent whose interest, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interest, estates and claims in Subject Drilling Unit to the Designated Operator;

(d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests"); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit B;

(e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, Wachovia Bank, Corporate Trust PA 1328, 123 Broad Street, Philadelphia, PA 19109-1199, (888) 396-0853, Attn: Rachel Rafferty, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated December 23, 1992.

- 3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2 above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, Wachovia Bank, Corporate Trust, PA 1328, 123 Broad Street, Philadelphia, PA 19109-1199, (888) 396-0853, Attn: Rachel Rafferty, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said affidavits to receive such funds and account to the Board therefore.
- 4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that true and correct copy of this Order to each person whose interest or claim is subject to escrow and whose address is known.
- 5. <u>Conclusion:</u> Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
  - 6. Effective Date: This Order shall be effective on the date of its execution.

### REVISED EXHIBIT "B" WELL No. 825398 (HCS-9)

(Revised 07/05/05)

LESSOR	LEASE STATUS	INTEREST WITHIN <u>UNIT</u>	GROSS ACREAGE IN UNIT
TRACT 1 - 64.10 Acres in Unit			
Big Sandy Coal Corporation Attn: William Ritter, President P. O. Box 700 Huntington, WV 24711-0700	Leased	56.881711%	64.100000
Big Sandy Coal Corporation c/o Hess, Stewart & Campbell Box 1060 Huntington, WV 24711-1060			
TRACT 2 - 6.80 Acres in Unit			
Norfolk & Southern Railroad c/o Pocahontas Land Corporation P. O. Box 1517 Bludfield, WV 24701	Leased	6.034253%	6.800000
TRACT 3 - 5.76 Acres in Unit			
Clayton Williams Rt. 2, Box 173 B Honaker, VA 24701	Leased	2.555683%	2.880000
Gordon Scott Williams and Tara Williams Rt. 1, Box 403 Grundy, VA 24614	Leased	0.851895%	0.960000
Alicia Leigh Deel and Danny Deel P. O. Box 188 Big Rock, VA 24603	Leased	0.851895%	0.960000
Donald Steven Williams and Cynthia H. Williams 851 Richards Way Wayne, PA 19087	Unleased	0.851895%	0.960000
TRACT 4 - 33.19 Acres in Unit			
The Anderson Elswick Estate Box 61 Big Rock, VA 24603	Leased	29.452480%	33.190000

### REVISED EXHIBIT "B" WELL No. 825398 (HCS-9)

(Revised 07/05/05)

LESSOR	LEASE STATUS	INTEREST WITHIN <u>UNIT</u>	GROSS ACREAGE IN UNIT
Equitable Production Company Attn: Sam Smallwood 1710 Pennsylvania Avenue Charleston, West Virginia 25302 Oil and Gas Lessee			
TRACT 5 - 2.84 Acres in Unit			
Big Sandy Coal Corporation Attn: William Ritter, President P. O. Box 700 Huntington, WV 24711-0700	Leased	2.520188%	2.840000
Big Sandy Coal Corporation c/o Hess, Stewart & Campbell Box 1060			
Huntington, WV 24711-1060			
TOTAL GAS ESTATE		100.000000%	112.690000
Total Percentage Leased		99.148105%	
Total Percentage Unleased		0.851895%	
Total Acreage Leased			111.730000
Total Acreage Unleased			0.960000

# REVISED EXHIBIT "B-3" WELL No. 825398 (HCS-9) (Revised 07/05/05)

LESSOR	LEASE STATUS	INTEREST WITHIN <u>UNIT</u>	GROSS ACREAGE IN UNIT
TRACT 3 - 5.76 Acres in Unit			
Donald Steven Williams and Cynthia H. Williams 851 Richards Way Wayne, PA 19087	Unleased	0.851895%	0.960000
Total Percentage Unleased		0.851895%	
Total Acreage Unleased			0.960000



